

The Board of Supervisors of Maricopa County, Arizona convened at 9:00 a.m. June 26, 2003, in the Tom Sullivan Conference room, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Fulton Brock, Chairman, District 1; Andy Kunasek, Vice Chairman, District 3; Don Stapley, District 2 and Max W. Wilson, District 4. Absent: Mary Rose Wilcox, District 5. Also present: Fran McCarroll, Clerk of the Board; Shirley Million, Administrative Coordinator; David Smith, County Administrative Officer; and Paul Golab, Deputy County Attorney.

DISCUSSION AND DIRECTION FROM THE BOARD RELATING TO THE FOLLOWING CAPITAL IMPROVEMENT PROGRAM ISSUES

New Administrative Services Building, its Design Review Committee, and direction to proceed with the design phase.

David Smith gave an overview to set the context of this agenda item, saying that approximately \$1 billion worth of capital infrastructure spending will be generated over the next five years through the Board's pay-as-you-go policy. This includes the HURF (Highway User Revenue Funds) Funding with MCDOT, Flood Control District funding and "whatever is done with the Stadium and Library Districts as previously discussed," Jail Tax Funding – in this, the last year of the \$520 million construction phase. He explained that as the County moves into FY 2003-04 there are more needs than there is available financing on the pay-as-you-go policy. He said that he would present the options that have been identified to continue this policy for as long as possible and still meet the needs of a growing county.

Supervisor Stapley asked if this projection included the rent and lease monies paid out to obtain office space for County departments.

Mr. Smith responded by saying that some departments have non-General Fund revenue from grants, or are currently paying to rent/lease office space. These financing arrangements are convertible into financing mechanisms like COPS or lease-to-purchase building projects. He considers these as pay-as-you-go adjuncts to General Fund financing in the same way as selling land and converting that money into the General Fund as capital dollars for use in building new facilities, which would eliminate the need for rental or lease space.

Mr. Smith asked the Board to use the information presented today to consider and determine short and long term priorities for future projects based on the limits set by the current budget. He explained that OMB expects to have a 'delta', or remainder, that could be considered either now or in future budget years for more pay-as-you-go, COPS financing, lease-to-purchase projects or even a bond issue.

Heidi Birch, Capital Facilities Development Director, reminded the Board that the master plan for the 4-block area bounded by 5th & 7th Avenues and Jefferson and Jackson Streets (that was presented to the Board last May) had recommended a flexible improvement plan that could be phased in as needed. Phase one of that plan was a new Administration Building with five floors providing 330,000 square feet of office area. This new building would provide the basis for a future annual lease savings of \$745,000. She said the budget is now in place and it is time to begin the design process. This process will be similar to that used for the successfully designed jail program. The vision statement for this project is "Form Follows Function" and said the building as planned will be efficient, functional and will provide a public presence appropriate to represent the fourth largest county in the nation.

Supervisor Stapley stated that NACo had just published the news that Maricopa County is now the third largest county in the nation, having just passed Harris County in population. Discussion ensued on the size of the proposed administration building, with comments focusing on the low interest rates as an incentive for building coupled with the County's rapid growth and escalating

population. The County's explosive growth forces an increase in administrative and legally related interactions with the public, making office space a greater priority. Proponents of this opinion asked if it didn't make better sense to keep the previous 22-story concept to incorporate as many departments and eliminate as many rent/lease arrangements as possible. The opposing argument voiced an assertion of reduced cost efficiency for any building over five or six levels, as well as the reduced amount of available financing in the new budget, down from the \$235 million available two years ago to \$155 million. The reduced amount is a result of the downturn in the local and national economy. The question became one of building now for a predicted population growth expected by 2020 vs. the theory of building what is needed as it becomes necessary to build it. The majority voiced the desire to maintain the "pay-as-you-go" concept that brought the County out of its fiscal crises 10 years ago and opted for the second premise of building as needed. This practice could be changed as the economy returns to normal if desired.

In speculating about the year 2020, Mr. Smith referenced the idea for the County Regional Centers planned for the four quadrants of the County. He advised that the downtown campus would continue to grow regardless of the services available at outlying centers, which was the reasoning behind acquiring the four blocks of land west of the current downtown campus. He said, "Building six stories rather than 10 or 20 may seem like a missed opportunity, but a lot of the departments that would go into that building, will be the heavy customer usage departments, i.e., the Recorder, Elections, the Assessor, Treasurer, etc. all departments where the public needs an easy access and convenient parking." Additional buildings could be built in the remaining area as needed. A tower on one or even two of the blocks could be built as the County continues to grow. Other proximate downtown buildings could also be acquired. To obtain collateral for such purchases he suggested the feasibility of selling the Securities Building. He felt that the County is converging on a manageable Master Plan that could accommodate growth needs for the next 20 years, both downtown and in the regions."

Chairman Brock asked how many square feet of space is being leased at this time and was told by Tom Manos that it is approximately one million square feet county-wide and 350,000 square feet downtown. The proposed new administration building would be 330,000 square feet and the Chairman questioned the logic of constructing less space than is currently needed.

Mr. Manos said that the proposed building would satisfy the needs for now not 2020 and it would be necessary to build additional office space later as the need arose. Also at this time there are departments moving into new construction space that is vacant in the Medical Examiner's Building and he pointed out that there will be space in the current administration building for departments to move into when the new administration building is completed.

Supervisor Stapley said that the County bought the Security Building as a stopgap for the next five to ten years. Many County offices are currently housed there and around 100,000 additional square feet will soon be freed up for County departments as old leases expire and those occupying that space move out. He reminded the Board that the new buildings at Durango will also free up already owned County office space downtown as the Sheriff's and other offices are moved out there. He said that it couldn't be considered as building only a 330,000 square foot building when the amount of additional square footage for offices will eventually be closer to 700,000.

Heidi Birch said that it is very difficult to predict what it will be like 20 years in the future and cited the "1982 Maricopa Downtown Master Plan" which predicted that by the year 2000 the County would be needing slightly more than 3,000 jail beds, "and we're over 8,000 beds now. So clearly either it was a bad plan or else it's just very difficult to project out 20 years."

Sandi Wilson said that the ramifications from the current budget crunch “will be with us for many years.” She explained that overall maintenance costs and utilities would be much greater for a building that wouldn’t be completely occupied for some years to come. She also predicted that in such a large and open office atmosphere departments would be prompted to request additional staff whereas when space is limited, all are aware of the need to keep staffs small. She added that growing at a slower rate would be much more beneficial to restoring the County’s budget in many ways.

Discussion continued on the downtown areas and included needs of the Superior Court and the Justice Courts.

Supervisor Wilson said he had to look at this as a taxpayer as well as a Supervisor and he questioned any speculation on “what might be” 20 years from now. He added, “I don’t want my taxpayer money to be spent now for some possible future needs.” He also questioned the need for replacing 30-year old buildings with new ones, asking, “why would a building be old at 30 years? 30-year old buildings should not have to be replaced – in Europe they’re still using buildings that are hundreds of years old.”

Tom Manos explained that there are some department spaces that are appropriate for the County to lease such as grant programs with grant funding assured for a limited time period and Head Start Programs that are now mostly in leased space and appropriately so.

Supervisor Stapley suggested the Board approve the design process on the new administration building. He also challenged the OMB staff to look at other opportunities for the 4-block downtown area and research possible private partnerships with the public sector for appropriate mixed use. He suggested the possibility of attracting a major developer wanting to build a tower that would have an appropriate mixed use with government such as a museum or entertainment type facility. He said, “What I really dislike about government buildings is that their single purpose makes them boring and less attractive as a place to work. I’d like to see a vision for the 4-blocks that is user friendly and that has opportunities for the Maricopa County employees who work there to also be entertained with shops, restaurants, patio areas, etc. that are pleasant and easily accessible to them.”

Heidi Birch said the architectural plan would again come from Duran, HOK, McCarthy and Hunt Jacobs as phase 2 of their old contract – phase 1 was the master plan – and for the design and overseeing of the construction the cost would be \$3 million. She added, “It’s the same Duran team that designed and built the 4th Avenue Jail and that was a very successful relationship.” She asked for verification of the Board’s direction saying, as currently written the project is for 330,000 square feet and costs \$2.75 million. Assuming the Board wants the 390,000 square foot six-story building the amount increases to around \$3 million. She was instructed to proceed with the expanded plan for 390,000 square feet. The Clerk was instructed to place this item on the July 2, 2003, agenda.

Review the Master Planning Process for downtown and regional Court needs, with direction to proceed with development of a Court Master Plan.

Steve Conner, Director of Facilities Management, reported that today’s presentation regarding Capital Projects for the courts is much the same as those given previously and all that was said about general County growth would apply as well to the courts.

Gordon Griller, Courts Administrator, said that strategic plans are in process for the Superior and Justice Courts and should be finalized for approval by November and these will give the Board a broader scope of possibilities for optimal expansion. He mentioned the six principles that are the driving factor for in this

plan.

1. Decentralization of court services – Justice and Superior Courts.
2. Economies of scale through co-location of related court services.
3. To recapture lease costs and roll them into payments to the County for expansion.
4. Planning for court growth in proportion to population growth.
5. To begin to identify Justice Courts as County courts to eliminate confusion with city courts.
6. Renovation of downtown court headquarters along with County government headquarters.

Discussion ensued on how to accomplish the “identity” referred to in #5 above. Justice Courts are often named for the city where they are located. This common practice adds to the confusion of their actual jurisdiction. The discussion also revolved around possible changes to the judges’ title. Mr. Griller suggested that County Counsel could examine and review the “name change” question noting that Justice of the Peace “is a title that’s emblazoned in the law but it may be easy to emphasize ‘County’ in the ways a court is referred to in many instances.”

Supervisor Stapley asked which body, the County, the Legislature or the Court Administration and presiding judge, had the right to change the name of precincts, such as the Scottsdale Precinct.

Mr. Griller said that in any discussion on changing the name of the Justice Courts to represent the County that he’d had over the years, his impression had been that it was the County’s prerogative to do that.

Supervisor Stapley suggested that the plan should be to move ahead with naming the courts according to a “County” convention. He offered a simple numbering system: County Precinct #1 through County Precinct #23. He also commented that he was in favor of moving ahead with the process for expansion and renovation of the courts and would particularly like to focus on expansion of the regional sites, “I would like to see that moved up to the earliest possible time, there’s a crying need in my district for those improvements.”

Tom Manos reported that nearly all the elements of the expanded Justice Court plan are falling into place with the acquisition of the property for the Northeast facility nearing conclusion. He summed it up by explaining that they knew the new locations for various courts and had developed a design for a J.P. Court that could be built on any of the sites. The plan also includes current lease terms and termination clauses along with plans to sell certain properties. He added that he would like to see the plan explore the possibility of different alternatives for building and financing these facilities. He believed some efficiencies would be gained by hiring someone like OPUS, or another in that business, who could design, build and operate the facilities at a lower combined cost. He explained that exploring this option and perhaps bidding three or four of the sites out to them at one time could increase the cost effectiveness.

Discussion ensued on the desire of building a 100-year building vs. a 20-year building (with reference made to the recent Northwest Court’s modular construction as more temporary) and the importance and logic of picking the best design, construction and site with longevity of use in mind.

Supervisor Stapley referenced two issues he said were raised during this presentation: 1. Do we want to do another modular building? and 2. Can we bid these all out to one contractor and maybe do a sale-lease-back joint venture? He requested that all of these issues be examined and presented to the Board before any decision is made.

Steve Conner referenced two handouts to give the details of the co-location program of six Justice Courts. He said that they have developed a prototype for both a four-and five-courtroom facility with specifications on each. He said that this does lend itself to the idea of bidding and building several or all

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of these at one time in whatever locations chosen as a one-package deal for lease-purchase options. He said this gives the ability to "do it quickly because the groundwork has all been done." He spoke of the definitions of modular and permanent structures and said that modular could be built on a cement slab as a modular-permanent building and this should satisfy all concerns. He suggested letting the marketplace decide which is the cheapest and fastest pursuit to employ saying there are three qualities to any building program, "budget, schedule and quality and any decision on any one of those impacts the other two." He explained that the six proposed growth courts identified on the list are shown with their yearly lease payments. Finance and real estate have translated the current 2003 rents into comparable capital facilities costs. The \$3 million paid out now in leases could buy about \$18 million worth of facilities in the coming 15 year time period." He indicated that, "we have the beginnings of a program, you say 'go' and we can develop something pretty quick." Several Supervisors immediately said, "Go!"

Supervisor Wilson agreed with the haste, but cautioned, "Lease option is something to look at if you have a cash-flow problem but it's not so good if you have the dollars."

Mr. Conner stated that he expected to have a Master Plan that will address all the Superior Court and Justice Court needs not handled by a co-location program. The Master Plan will consider the demographics and design the court facility accordingly. He said they could bring this Plan to the Board no later than November 1. He was directed to proceed with this as presented.

The Board took this opportunity to "say goodbye" to Gordon Griller and congratulate him for accomplishing goals while dealing with diverse personalities on the Board as well as those in the Courts. They bid him goodbye and expressed their hopes for his successful and pleasant retirement, with the Chairman adding, "with your energy and creativity I don't believe for one minute that you're ready to go fishing!" Mr. Griller responded that the past 16 years he has worked at Superior Court had been a joy for him despite the "hills and valleys." He said, "You are in charge of one of the most incredible and dynamic Counties in the nation and I'm proud of what's happened these past years and equally proud of what you have accomplished. Congratulations to all of you."

~ Supervisor Kunasek left the meeting ~

Development of a CIP Prioritization Process for General Government Projects. Steve Conner advised the Board that the current capital improvement planning process needed to be formalized and a ranking system implemented in order to properly prioritize projects. The system would include consideration of overall County issues, agency's master plans and the effects on operating budgets. Priority projects within a particular agency still need to be considered in light of the Board's Master Plan and Management's comprehensive Plan for the County's Future.

~ Supervisor Kunasek returned to the meeting ~

David Smith said, "We're getting so large as an organization that we can't afford to not improve our business systems to comprehensively deal with the totality of growth, as well as the variables of something that may become life-health-safety-environmental-OSHA-new mandates, etc. to deal with those changing environments from a business process standpoint." He explained that after this is done at the departmental level the Board would still choose what will eventually be funded.

As an example of a current project, Mr. Conner reported on the Wall of Honor for Maricopa County employees involved in three categories, 30 years of service; those killed in the line of duty; those receiving local or national recognition for distinguished service. He said that after considerable study by those involved in the selection process it was determined to have three obelisks representing "Service," "Sacrifice" and "Salute." The three obelisks would be 12-14 feet high, made of hollow, stainless steel and

will have minimal, internal lighting at night. He indicated that these would be able to be done quickly and fairly inexpensively with an estimated completion date of September 1, 2003. All Members supported this design as a fitting and appropriate way to send an important message, to employees and to the public, of the honor with which those inscribed thereon are held and are entitled to through their special service to the citizens of Maricopa County.

Improvements to San Tan Park with direction to Parks & Recreation to develop a conceptual plan for Facilities Review Committee recommendation and Board action on July 30, 2003.

Bill Scalzo said he would review San Tan Park and also present their CIP for the next five years. He said, "We do have plans, we have worked through customer satisfaction surveys, made determinations based on Managing for Results, our goals must each relate to becoming self-dependent, we continue to provide our services at the least cost for the maximum number of people. We're not mandated but we're providing a quality product at the most inexpensive operational cost to the County."

He gave a slide presentation with commentary on the capital improvement plan for San Tan Park. Three goals have been set for this plan as determined by input from various citizens groups from Mesa, Chandler, Gilbert, Queen Creek and Pinal County who are actively involved in working with Maricopa County and the Parks Department in planning the improvements they want to see developed in the Park.

1. Recreation - to provide opportunities for a variety of users and accommodate regional needs.
2. Education - provides information on the unique features of this park and interpretation of resources.
3. To protect, rehabilitate and reclaim disturbed areas in the park and preserve visual settings.

Mr. Scalzo said that 60% of the Park has been fenced, sometimes having to dig through hardrock to do so, and that an additional 20% of the 8,000 acres will eventually be fenced. He said that although minimal buildings have been erected or the trails marked off many people are using the park under the new regulations enforced by the new, full-time staff. Mr. Scalzo reported that by the end of 2003 almost \$700,000 will have been spent on the Park: \$500,000 from their enhancement funds – revenues collected in other parks throughout the system – and \$200,000 from the General Fund. When asked about the application of these funds (because so few improvements are noticeable at the park) he replied that the money has gone to create parking areas, staffing, law enforcement, a mini mobile system, vehicles or equipment to use in patrolling and developing the area and for fencing. The areas already fenced and those to be fenced were identified. He explained that the park system had been created years ago but there had been no money for any improvements until just a few months ago and that a park is not created overnight.

He reiterated that they were following the Board's direction to give the people what they want, which involved setting up meetings. The majority of residents had indicated that they want to keep this park relatively undeveloped and open for hiking and riding bikes and horses. He said that people don't want a "city-type" park and they don't want a shooting range and some of the other amenities included in the plan drawn up 20 years ago. He also explained that only five people had been hired to do all that had been done.

There are biological and archeological resources that have been identified and need to be protected. Mr. Scalzo alluded to the large areas that have many old mines that have to be fenced off to protect the public. There are also five active claims for precious metal mines. They are working with Risk Management on that issue because the mines have open adits (a horizontal opening to a mine) that could be hazardous and these are all "readily accessible to the public." The Park Service can't do anything about these because they are active claims and the owners must have access." Several

methods were discussed to alleviate this danger including fencing and locked gates, providing the owner with a key, requiring proof that the claim is valid and if it is, asking the "prudent" owner to provide his own safety measures.

Mr. Scalzo reported that the results of the polls reflect what Park users want and don't want to have included in the Park. The greatest percentage of public interest was for primary and secondary trails and the greatest percentage of public opposition was motorized use (off highway vehicles, jeep tours, ultra light planes and remote control aircraft), and commercial development of any kind. The highest priority item desired by respondents was for an entry and visitor's center. This will be implemented as the next step in the development and a tentative plan was presented to the Board. One of the greatest needs for the Park is to get power and water to the area. When this happens construction projects will be greatly facilitated.

Discussion ensued on expediting the construction of restrooms, signage, entry monuments, trailhead entries by using the \$200,000 promised by the Pinal County Board of Supervisors combined with the \$500,000 from Maricopa County. No additional monies will be forthcoming from Pinal County unless it is provided by developers.

Supervisor Stapley said that anyone who hasn't been at the Park on a Saturday morning would be surprised at the 40-50 horse trailers and hundreds of people who show up to spend time in the Park, "and all we have is a mini-mobile and a dirt parking lot that's getting torn up with that much traffic. We really need to move this phase forward, even though the Master Plan has not been completed it's going to have these necessary components in it and we need to get these things done." Modular construction was discussed as being faster to erect and less expensive. Mr. Scalzo said he had hoped for a well built, durable type of building that would last for years.

Discussion ensued on volunteer involvement in San Tan, which Mr. Scalzo said is always abundant in all the Parks, but Mr. Ingram, Park Superintendent, said that they can't use volunteers until there is enough staff to lay out the trails and "watering holes" and to direct the volunteers. Lack of staff was cited as one of the biggest factors delaying development.

Discussion ensued on entry fees and people who are upset about now having to pay to enter the parkland areas when they haven't had to previously and especially paying when there are limited amenities available. Mr. Scalzo stated that all parks, nationwide, charge an entry fee, as do all the parks in the County. This fee helps to fund improvements and upkeep. It was stated that those residents having horses and living in the area who are used to just riding into the park at any point are also upset at the fencing that forces them to drive to the entry gate and then pay. This applies to both Maricopa County and Pinal County residents. Mr. Scalzo said, "It is just unfortunate that people from Pinal County do not want to pay for systems that are created for them with Maricopa County dollars."

Supervisor Kunasek said, "People all over Maricopa County are paying entry fees to all our County parks and a portion of that money is being siphoned out to Pinal County so these people can have free, unbridled access? I'll gladly go out and host a meeting if you want to bring the news to Pinal County residents that they have to start paying for themselves."

The unprecedented growth in new housing developments along the "fingers" portion in the Park was discussed. Mr. Ingram described the growth as "explosive." The Master Plan will try to control and direct the access points, but some want access points every half-mile which isn't feasible." He indicated that he has told people ever since he started caretaking the parklands in 1997 that things will change and they have been trespassing across private property for the past 40 years when they've ridden their horses into the Park area. He added, "One of the controls that we have is fencing. I don't like fence, we have to

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repair it, and it's ugly. But those four strands of wire have done more to protect that Park than anything else I can imagine to have done out there. The tremendous amount of wear and tear that was occurring has been drastically reduced because of it." Abuse to this beautiful desert area with its abundant flora and fauna is occurring with truckers driving in, spotting Saguaro cacti that they dig up and sell. He indicated that it's a two-way street and the people in both Counties have to learn to live with the new Park rules and to also take responsibility for helping to keep the area pristine and undamaged until staffing increases and law enforcement can be provided.

Motion was made by Supervisor Stapley, seconded by Supervisor Kunasek, and unanimously carried (4-0-1) to insert an item on the July 2, 2003, agenda for a San Tan Park fund appropriation to cover necessary preliminary amenities.

~ Supervisor Kunasek left the meeting ~

Other Board CIP projects. Steve Conners said this item is to provide the Board with the opportunity to introduce any projects they would like to add or if there are other things they should be concentrating on instead of those presented.

Supervisor Stapley asked about the new Public Health facility and Mr. Conners said that it is in design development and the project is on schedule.

Bond Committee. David Smith explained that Judge Campbell had requested a "courts bond committee." However, County is not doing any kind of a bond election in 2003 and the Board may elect to postpone any decision regarding bonding in 2004 until some other critical issues are discussed or resolved.

Mr. Smith said that Judge Campbell had observed that the current bond debt service is expiring in the 2003-04 budget. He had requested that if any general obligation bonding was planned for the foreseeable future he would like the planning process to include a master plan for the courts. Judge Campbell felt that bonding for court's needs could be in the \$200-\$300 million range. He felt that further study was needed to complete the master plan. This could not take place until sometime in 2004. He said that a citizen's committee could also be appointed to study the entire matter should the Board wish to do so.

Supervisor Stapley suggested this topic be tabled until after the November election and others concurred with this suggestion.

MEETING ADJOURNED

There being no further business to come before the Board, the meeting was adjourned.

Fulton Brock, Chairman of the Board

ATTEST:

Fran McCarroll, Clerk of the Board